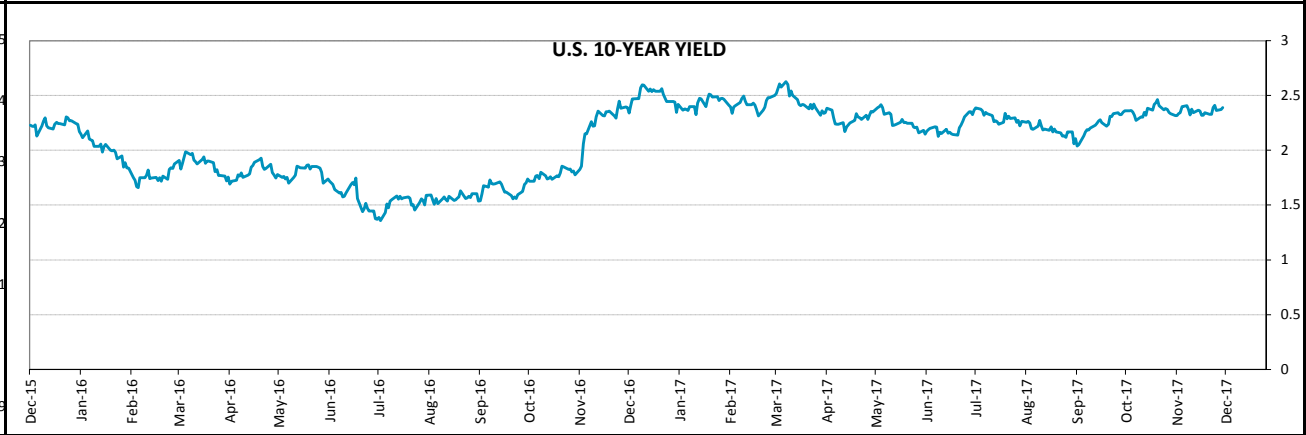
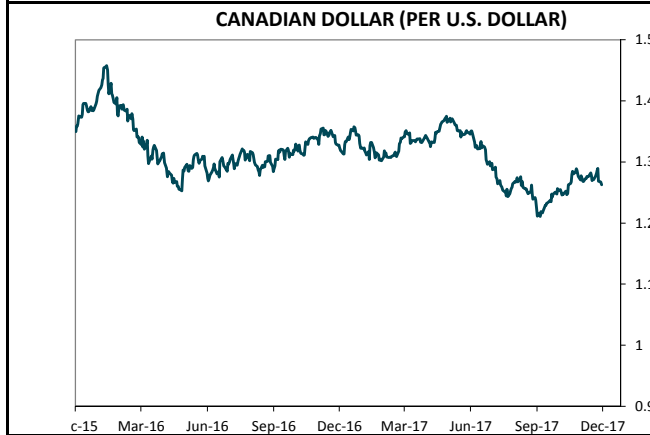




CAD\$ FOREIGN EXCHANGE CROSSES			CANADA BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
USD/CAD	1.266	-0.0010	2 Year	0.750	1-Aug-19	98.727	1.53	-0.01
CAD/USD	0.790	0.0006	5 Year	1.000	1-Sep-22	96.69	1.73	-0.05
EUR/CAD	1.499	-0.0052	10 Year	1.000	1-Jun-27	91.982	1.93	-0.11
GBP/CAD	1.701	-0.0072	30 Year	2.750	1-Dec-48	111.793	2.22	-0.19
CAD/JPY	88.962	0.2610						

US\$ FOREIGN EXCHANGE CROSSES			U.S. BENCHMARKS					
CROSS	SPOT	CHANGE	TERM	COUPON	MATURITY	PRICE	YIELD	\$ CHANGE
EUR/USD	1.183	-0.0032	2 Year	1.250	31-Aug-19	99.039	1.82	-0.03
GBP/USD	1.343	-0.0046	5 Year	1.625	31-Aug-22	97.641	2.15	-0.13
USD/JPY	112.660	0.2500	10 Year	2.250	15-Aug-27	98.750	2.39	-0.14
			30 Year	2.750	15-Aug-47	99.719	2.76	-0.14



DAILY COMMENTARY

Bond prices continue to tread water near 2.40% on the ten-year.
Canada reported a sharply improved trade deficit and the Loonie is soaring towards U.S \$0.80

Source: Bloomberg, Odlum Brown



ECONOMIC RELEASES							CANADA/U.S. SPREADS			YIELD CURVE SHIFTS																																																																																													
DATE	CANADA	EST	ACTUAL	USA	EST	ACTUAL	0	BPs	CHANGE	ROLL	SPREAD	CHANGE																																																																																											
MON				Factory Orders Durable Goods Orders Capital Goods Orders	-0.40% -1.1%	-1.00% -0.8% 0.3%	3 Month	-0.42	0.037	2 - 5 Year	0.18	0.00																																																																																											
								-0.27	0.011	2 - 10 Year	0.37	0.00																																																																																											
							5 Year	-0.43	0.006	2 - 30 Year	0.67	0.00																																																																																											
TUE	Int'l Trade	(\$2.7b)	(\$1.47b)	Trade Balance US Services PMI ISM Non-Mfg Comp.	(\$47.5b) 55.20 59.00	(\$48.7b) 54.50 57.40	10 Year	-0.45	-0.001	5 - 10 Year	0.20	0.00																																																																																											
							30 Year	-0.54	-0.010	10 - 30 Year	0.29	0.00																																																																																											
WED	Labour Prody QoQ Bank of Canada Rate Decision	1.00%		MBA Mortgage Applications ADP Employment Chg. Non-farm Prody. Unit Labour Costs	190k 3.3% 0.2%		<table border="1"> <thead> <tr> <th colspan="2">U.S. RATES</th> <th colspan="2">CDN MONEY MARKET</th> <th colspan="2">CANADIAN RATES</th> </tr> </thead> <tbody> <tr> <td>PRIME</td> <td>4.25</td> <td>Bankers' Acceptances</td> <td></td> <td>PRIME</td> <td>3.2</td> </tr> <tr> <td>BANK RATE</td> <td>3.00</td> <td>30 Day</td> <td>1.33</td> <td>BANK RATE</td> <td>1.25</td> </tr> <tr> <td>FED FUNDS</td> <td>1.25</td> <td>60 Day</td> <td>1.38</td> <td></td> <td></td> </tr> <tr> <td>DISCOUNT</td> <td>1.75</td> <td>90 Day</td> <td>1.43</td> <td></td> <td></td> </tr> <tr> <td>LIBOR 3MO</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			U.S. RATES		CDN MONEY MARKET		CANADIAN RATES		PRIME	4.25	Bankers' Acceptances		PRIME	3.2	BANK RATE	3.00	30 Day	1.33	BANK RATE	1.25	FED FUNDS	1.25	60 Day	1.38			DISCOUNT	1.75	90 Day	1.43			LIBOR 3MO																																																															
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THU	Building Permits MoM Ivey Purch Mgrs			Initial Jobless Claims Continuing Claims Challenger Job Cuts YoY Consumer Credit	240k 1900k \$17b		<table border="1"> <thead> <tr> <th colspan="7">CANADA YIELD CURVE</th> </tr> <tr> <th colspan="7">January 3, 2012 - Today</th> </tr> </thead> <tbody> <tr> <td>Term</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>10</td> </tr> <tr> <td>Yield</td> <td>0.2491</td> <td>0.81</td> <td>0.97</td> <td>0.970</td> <td>1.010</td> <td>2.57</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1.990</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1.540</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1.200</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1.300</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1.010</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0.970</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0.97</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0.81</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0.2491</td> </tr> </tbody> </table>						CANADA YIELD CURVE							January 3, 2012 - Today							Term	1	2	3	4	5	10	Yield	0.2491	0.81	0.97	0.970	1.010	2.57							1.990							1.540							1.200							1.300							1.010							0.970							0.97							0.81							0.2491
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FRI	Housing Starts Capy Utilization Rate	215k		Chg. Non-Farm Payrolls Unemployment Rate Avge. Hrly Earnings Avge. Hrly Earnings YoY U Mich. Sentiment	199k 4.1% 0.3% 2.7% 99.0																																																																																																		

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